

VZCZCXRO9602  
RR RUEHLMC RUEHVK  
DE RUEHUM #0262/01 1550736  
ZNR UUUUU ZZH  
R 030736Z JUN 08  
FM AMEMBASSY ULAANBAATAR  
TO RUEHC/SECSTATE WASHDC 2221  
INFO RUEHBJ/AMEMBASSY BEIJING 6193  
RUEHMO/AMEMBASSY MOSCOW 2282  
RUEHRL/AMEMBASSY BERLIN 0119  
RUEHFR/AMEMBASSY PARIS 0078  
RUEHUL/AMEMBASSY SEOUL 3391  
RUEHKO/AMEMBASSY TOKYO 3065  
RUEHML/AMEMBASSY MANILA 1775  
RUEHLO/AMEMBASSY LONDON 0314  
RUEHBK/AMEMBASSY BANGKOK 1829  
RUEHSH/AMCONSUL SHENYANG 0533  
RUEHVK/AMCONSUL VLADIVOSTOK 0299  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RHMFIUU/DEPT OF ENERGY WASHINGTON DC  
RUCPDO/DEPT OF COMMERCE WASHINGTON DC  
RHMFIUU/HQ EPA WASHINGTON DC 0057  
RUEKJCS/SECDEF WASHINGTON DC  
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHINGTON DC

UNCLAS SECTION 01 OF 02 ULAANBAATAR 000262

SIPDIS

STATE FOR EAP/CM, EAP/EX, MED, and OES  
STATE PASS USTR FOR WINELAND

E.O. 12958: N/A

TAGS: [SENV](#) [PREL](#) [EAID](#) [PGOV](#) [MG](#)

SUBJECT: A BAD AIR DAY: ULAANBAATAR STRUGGLES TO BREATHE AS AIR  
POLLUTION WORSENS

REF: 07 ULAANBAATAR 704

¶1. SUMMARY: Residents of Ulaanbaatar suffer from air pollution that is among the world's worst - comparable in airborne particulate matter to Beijing or Cairo. Much of the problem stems from garbage-burning and dust from coal-burning stoves at the city's rapidly growing ger districts. Heating and electrical power plants as well as motor vehicles also foul the air. On April 10, the Government of Mongolia (GOM) and donor organizations met to discuss progress in combating Ulaanbaatar's worsening pollution crisis. The problem is not merely environmental; in 2006, the social and financial costs of pollution totaled over US\$171.3 million -- 6% of GDP). Donor and GOM programs have focused on getting ger (yurt in Russian) residents to use low-pollutant fuels; encouraging apartment and ger dwellers to embrace more efficient insulation methods; and replacing antiquated heaters with more efficient heating appliances. Other programs have focused on paving more roads and maintaining them better; increasing green spaces with the city; and encouraging better private-sector energy performance. It is too early to say whether such programs will prove successful in the long run. END SUMMARY.

¶2. The World Bank and Mongolia's Ministry of Fuel and Energy held an Air Pollution Management workshop in Ulaanbaatar, April 10, to coordinate central and UB City Government initiatives and policies on air quality improvement. The participants also discussed options and issues to ensure sustainable-policy outcomes, shared views and experiences, and heard an update on donor-supported programs.

UB'S AIR AS POLLUTED AS BEIJING'S AND CAIRO'S  
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¶3. On average, the fine particulate matter (PM10) concentration in Ulaanbaatar's air is 150, making the Mongolian capital one of the world's most polluted cities. UB's PM10 is equivalent to levels found in Beijing and Cairo, three times higher than Mumbai, and five times higher than New York or Washington DC. Ulaanbaatar's PM10 is estimated to be between two times higher in summer and 12 times higher in winter than the minimum acceptable standards. (Note: In winter, lingering smoke generated by ger districts shrouds parts of UB, including the neighborhood surrounding the Embassy. Visibility

is often reduced to a 20-50 meters End Note.) The primary sources of air pollution in UB are the mushrooming ger districts, where dust from ubiquitous coal-burning stoves, garbage burning and other activities make up about 50% of the city's pollution. Power plants, motor vehicles and other sources account for the rest. Today, UB is home to ten times as many cars as in 1980; few of these cars have emission control systems. Making air-quality worse are dust storms, a booming construction market, a dearth of green areas and a shortage of paved roads.

#### RESPIRATORY DISTRESS RIFE

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¶4. According to the World Bank, the financial and social costs of air pollution are very high, reportedly totaling over US\$171.3 million (6% of GDP) in 2006. Social costs include mortality (US\$57 million); chronic bronchitis (US\$58 million); respiratory hospital admissions (US\$354,900); asthma attacks (US\$575,065); emergency room visits (US\$ 207,623); restricted activity days (US\$14, 932,750); lower respiratory illness in children (US\$156,156); and other respiratory ailments (US\$ 39 million). The Ministry of Health reports that respiratory diseases have ranked first among diseases over the past 4-5 years, indicating the effect of air pollution on people's health.

#### DIVERSE VIEWS ON REMEDIES

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¶5. Technical experts, politicians and government officials, among others, often have differing views on sustainable approaches to the air pollution problem. The World Bank has funded studies and research that suggest the best options include better housing; switching to low-pollutant fuels; more efficient insulation for apartments and gers; more efficient heating appliances; more and better maintained roads; increased green areas in the city; and better private-sector performance (solid waste, district heating).

#### GREATER DONOR INTEREST

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¶6. Donor interest has increased since 2007 (see reftel), and new programs to reduce air pollution are under development. The World Bank has mobilized about \$1 million in technical assistance (TA) to address air pollution; about \$350,000 was spent this year, 43 percent of which was executed by the GOM. There are also several other donor projects already underway or in development. The Asian Development Bank is involved in a US\$2 million Ger Insulation Fund. The German Government is funding the thermo-insulation of pre-cast Soviet-style apartment blocks; the installation of energy meters; the development of solar-heating systems for schools and hospitals; and work to make power plants more energy-efficient. JICA intends to build highway bridges over some roads to reduce vehicle-exhaust-based air pollution. The World Health Organization (WHO) is studying the health effects of pollution within households.

¶7. Three GOM resolutions allocate more than 50 billion Tugriks (roughly \$43 million) to the state budget between 2007 and 2010 for improving the legal environment to combat air pollution, expanding infrastructure, building a new thermal power plant and other measures. (The latter includes introducing electric heaters, building new energy-efficient apartment complexes to house ger-district families, and developing semi-coke briquette production. Others include improving fuel quality, paving roads that link the central city and ger districts, building capacity of air quality offices, encouraging the insulation of gers, and implementing these projects.) (Note: The ruling Mongolian People's Revolutionary Party sacked the previous UB mayor for ostensibly for failing to make progress on the city's pollution problem. End Note.)

#### ARE SMOKELESS FUELS THE ANSWER?

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¶8. The GOM is promoting the production and supply of environmentally friendly smokeless fuel, such as semi-coke briquette and gas, to counter ground-level air pollution emitted from household stoves and heat-only boilers. Government Resolution #14 intensifies

experiments to produce semi-coke briquettes and to establish a semi-coke briquette plant built at the state-owned combined heating and power plant (CHP) Number II. The resolution also encourages private-sector participation in developing a briquette industry through tax breaks. Plans include establishing a sales network for delivering semi-coke briquettes to consumers, and educating consumers on the benefits of using semi-coke briquettes. The price for one ton of semi-coke briquettes is expected to reach 30,000-40,000 Tugriks (\$25-\$34), compared to one ton of raw coal which costs between 40,000 and 80,000 Tugriks depending on the market.

19. A recent World Bank survey indicated that almost 60% of respondents would buy briquettes only if the costs are similar to raw coal; over 40% said they would buy briquettes in the future because they are less polluting; and 95% indicated that they think the ultimate solution to fighting pollution from ger districts is to move ger residents into apartment housing.

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